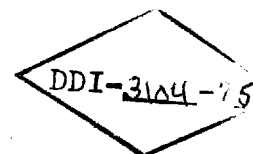


CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505



November 28, 1975

The Honorable Les Aspin
House of Representatives
Washington, D.C. 20515

Dear Mr. Aspin:

This responds to your request of November 6 for information on the costs of Soviet defense programs. We are providing most of the data that you have requested.

As a note of caution, it must be emphasized that the most recent estimates at the level of detail you specified were made at the beginning of 1974 and reflect the Intelligence Community's estimates and projections of Soviet military forces and activities as of that time. Since then there have been revisions in estimates of Soviet military manpower, new information on the production levels and unit costs of Soviet weapons, and new budgetary information on Soviet defense spending. We are in the process of analyzing the cost implications of this information and plan to have new detailed estimates completed by late spring.

We have made preliminary estimates of *total* defense costs which incorporate some of the new information but these estimates cannot be broken down to the level of detail that you requested. Please note that these preliminary estimates are expressed in constant 1974 dollars and they compare with US spending for counterpart programs as follows:



	<u>Billion 1974 Dollars</u>		
	<u>1973</u>	<u>1974</u>	<u>Projected 1975</u>
Total Defense Activities			
Soviet programs	100	102	107
US Expenditures	85	82	79
<i>Soviet as a percent of US</i>	<i>118%</i>	<i>124%</i>	<i>135%</i>
Excluding Pensions			
Soviet Programs	98	99	105
US Expenditures	80	77	73
<i>Soviet as a percent of US</i>	<i>123%</i>	<i>129%</i>	<i>144%</i>

We regard these estimates as tentative, and they undoubtedly will change somewhat when we finish our complete update in the spring.

The estimates below are expressed in constant 1973 dollars. They were the basis for the testimony of the Director of Central Intelligence before a subcommittee of the Joint Economic Committee this past June. As indicated above, they are now out of date in the light of more recent information with which we are still working. The estimates for strategic defense, strategic attack and peripheral attack forces are exclusive of costs for RDT&E or command and support. Counterpart US expenditures are shown for comparative purposes. (Estimates for 1973 are not available.)

	<u>Billion 1973 Dollars</u>										
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Total Defense											
Soviet	71.6	72.8	75.5	78.4	82.4	83.9	86.6	87.4	88.4	91.8	93.3
US	86.8	83.8	100.4	107.1	108.8	106.3	93.5	83.8	81.3	78.9	79.0
Of which:											
Strategic Defense Forces											
Soviet	5.4	5.4	5.4	5.6	6.4	7.2	6.9	6.8	6.3	5.6	5.6
US	2.1	1.7	1.4	1.4	1.5	1.8	1.6	1.8	1.5	1.0	.7
Intercontinental Attack Forces											
Soviet	3.1	3.0	5.3	6.5	6.7	7.0	6.9	5.6	4.6	5.5	5.9
US	7.1	4.7	4.4	4.0	4.8	5.2	3.7	3.7	4.0	4.0	3.7
Peripheral Attack Forces											
Soviet	3.0	2.8	2.6	2.4	2.3	2.1	1.9	1.9	2.1	2.1	2.2

The estimates above include the costs of KGB border guards and MVD security troops. The annual dollar costs for these forces are estimated to be about 3.5 billion dollars for the years 1964-1974. As you know, the US defense outlays do not include a counterpart for these forces.

We cannot provide you with estimates of the costs of Soviet forces in Czechoslovakia or in the Far East. Our cost accounts are not structured to produce expenditures on this kind of geographic basis.

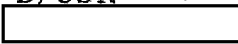
I hope this information, although heavily caveated, will be of use to you. It is the best we have available at the present time.



GEORGE L. CARY
Legislative Counsel

STAT

Distribution:

- O & 1 - Addressee
- 1 - DDI
- 1 - D/OSR
- 1 -  OSR
- 1 - OLC
- 1 - CSO

DDI/CSO,  (28 Nov 75)

STAT

STAT